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AND COUNTY OF SAN FRANCISCO

CALIFORNIA

FINANCIAL STATEMENT

AS AT MARCH 31, 1946

and

1945-1946 TAX COLLECTIONS

AS AT APRIL 20, 1946

HARRY D. ROSS

CONTROLLER

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GENERAL COMMENTS

CHARTER PROVISIONS CONTROLLING EXPENDITURES

The budgets for all fiscal years, since the adoption of the present charter which became effective January 8, 1932, have been balanced on a cash basis. The pertinent fiscal provisions of the charter in this regard are:

Section 72 of the charter which requires that:

The several items of expenditure appropriated in each annual appropriation ordinance, being based on estimated receipts, income or revenue which may not be fully realized, it shall be incumbent upon the Controller to establish a schedule of allotments, monthly or quarterly as he may determine, under which the sums appropriated to the several departments shall be expended. The Controller shall revise such revenue estimate monthly. If such revised estimates indicate a shortage the Controller shall hold in reserve an equivalent amount of the corresponding expenditure appropriations set forth in any said annual appropriation ordinance until the collection of the amounts as originally estimated is assured, and in all cases where it is provided by this charter that a specified or minimum tax shall be levied for any department the amount of such appropriation herein provided derived from taxes shall not exceed the amount actually produced by the levy made for said department.

Section 86 of the charter which requires that:

No obligation involving the expenditure of money shall be incurred or authorized by any officer, employee, board or commission of the City and County unless the Controller first certify that there is a valid appropriation from which the expenditure may be made, and that sufficient unencumbered funds are available in the treasury to the credit of such appropriation to pay the amount of such expenditure when it becomes due and payable.

ASSESSED VALUATIONS

	1942-43	1943-44	1944-45	1945-46
Total Valuations subject to City and County Rates	$831,413,397	$ 832,997,134	$ 843,441,418	$ 846,622,876
Solvent Credits (Taxed at 10¢ per C)	260,493,393	343,224,623	348,939,431	370,051,995
Total Assessment Roll	$1,091,906,790	$1,176,221,757	$1,192,380,849	$1,216,674,871
Total Tax Rate (City, County and School District) per $100. Valuation	$4.48	$4.36	$4.69	$4.83

BASIS OF ASSESSMENT

The State Board of Equalization, on the basis of independent appraisals made under its direction, states that the average ratio of assessed to true value is approximately 50%.

TAX COLLECTIONS AND TAX DELINQUENCY

		Uncollected at June 30 End of Year of Levy		Uncollected at March 31, 1946	
Fiscal Year	Total Levy	Amount	%	Amount	%
1939-40	$32,575,922	$390,407	1.19	$ 37,324	.11
1940-41	35,162,784	367,339	1.04	58,485	.17
1941-42	36,469,224	354,994	.97	90,429	.25
1942-43	37,469,083	288,158	.76	89,144	.24
1943-44	36,797,771	254,508	.69	89,779	.24
1944-45	39,574,124	262,652	.66	112,812	.27
* 1945-46	41,133,853				

* Refer to schedule on next page for detail of collections and delinquency.

CITY AND COUNTY OF SAN FRANCISCO
TAX COLLECTIONS AND TAX DELINQUENCIES

AS AT APRIL 20, 1946

	Charged	Collected	Delinquent	Percent Delinquent 1945-46	Percent Delinquent 1944-45
Secured Rolls					
Solvent Credits	$ 63,445.79	$ 63,430.23	$ 15.56	.025	.248
Tangible Personal Property	1,827,874.94	1,826,756.79	1,118.15	.061	.115
Real Estate, 1st Installment	17,160,029.63	17,009,779.56	150,250.07	.876	.782
Real Estate, 2nd Installment	17,160,029.63	16,489,804.82	670,224.81	3.906	3.316
Total Secured	$36,211,379.99	$35,389,771.40	$821,608.59	2.269	1.940
Unsecured Rolls					
Solvent Credits	$ 306,713.38	$ 306,499.49	$ 213.89	.070	.214
Tangible Personal Property	4,615,759.51	4,492,311.20	123,448.31	2.674	1.605
Total Unsecured	$ 4,922,472.89	$ 4,798,810.69	$123,662.20	2.512	1.522
GRAND TOTAL	$41,133,852.88	$40,188,582.09	$945,270.79	2.298	1.894

Note: First Installment delinquent December 5, 1945
Second Installment delinquent April 20, 1946
Unsecured delinquent September 1, 1945

BONDED DEBT

The bonded debt of San Francisco consists entirely of general obligation bonds which are payable from unlimited ad valorem taxes and from utility revenues. All bonds mature serially. No default in payment of principal or interest has ever occurred on any City and County of San Francisco bonds.

BONDED DEBT AS AT MARCH 31, 1946

	Outstanding March 31, 1946	Redeemed (Sold) July 1 to March 31	Outstanding June 30 1945
General Purpose Bonds	$ 21,488,000	($4,000,000)	$ 20,065,000
		2,577,000	
School Bonds	7,140,000	580,000	7,720,000
TOTAL GENERAL CITY BONDS	28,628,000	(843,000)	27,785,000
Public Service Enterprises:			
Water and Power:			
Water (Spring Valley purchase, 1933 Water Distribution, and 1942 Water Works System)	29,498,000	1,563,000	31,061,000
Hetch Hetchy Project (Water and Power)	50,450,000	2,025,000	52,475,000
	79,948,000	3,588,000	83,536,000
Municipal Railway	700,000	100,000	800,000
Airport	5,855,000	(5,000,000)	1,140,000
		285,000	
TOTAL P.S.E. BONDS	86,503,000	(1,027,000)	85,476,000
Total Bonded Debt (Unmatured)	115,131,000	($1,870,000)	$113,261,000
Matured Bonds (Not presented for payment)	124,600		
TOTAL BONDED DEBT OUTSTANDING	$115,255,600		

Unsold Bonds, March 31, 1946	
1942 Water Works System	500,000
1944 Juvenile Home and Court	1,250,000
1944 Sewer	8,000,000
1945 Airport	15,000,000
	$ 24,750,000

Section 104 of the Charter provides that the bonded debt, exclusive of:

(a) Debt incurred for water supply, storage, or distribution purposes and
(b) Debt heretofore incurred in aid of the Panama Pacific International Exposition (This issue has been fully redeemed) and
(c) Debt incurred for the purpose of financing public improvements, the cost of which is to be assessed against private property benefited thereby (To date no such bonds have been issued) shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to City and County taxes.

STATEMENT OF BONDING CAPACITY
As at March 31, 1946

12% of Assessment Roll of $1,216,674,871 for 1945-46		$146,000,984
Bonded Debt not Matured - March 31, 1946	$115,131,000	
Bonded Debt not Matured - March 31, 1946 (Exempt from 12% limit)	79,948,000	35,183,000
		110,817,984
Deduct: Unsold Bonds not Exempt from 12% Limit		24,250,000
LIMIT OF FUTURE BOND ISSUES		$ 86,567,984

BOND INTEREST AND REDEMPTION REQUIREMENTS FOR FISCAL YEAR ENDED JUNE 30, 1946

	Total	Bond Interest	Bond Redemption
General City:			
General Purpose	$ 3,717,053	$ 840,053	$2,877,000
Schools	926,535	346,535	580,000
TOTAL GENERAL CITY	4,643,588	1,186,588	3,457,000
Public Service Enterprises:			
Water and Power:			
Water (Spring Valley purchase, 1933 Water Distribution, and 1942 Water Works System)	3,139,180	1,326,180	1,813,000
Hetch Hetchy Project (Water and Power)	4,576,280	2,351,280	2,225,000
	7,715,460	3,677,460	4,038,000
Municipal Railway	137,500	37,500	100,000
Airport	304,420	19,420	285,000
TOTAL P. S. E.	8,157,380	3,734,380	4,423,000
TOTAL BOND INTEREST REDEMPTION REQUIREMENTS *	$12,800,968	$4,920,968	$7,880,000

* Includes estimated interest and redemption requirements for bonds which may be sold during 1945-46, but is not included in the schedule of Annual Bond Interest and Redemption Requirements shown on the following page.

The funds for bond interest and redemption requirements are financed in the budget as follows:

	Total	Taxes	Self-Supporting Amount	Self-Supporting %	Other Sources
General City:					
General Purposes	$ 3,717,053	$3,616,257			$100,796
Schools	926,535	926,535			
TOTAL GENERAL CITY	$ 4,643,588	$4,542,792	-		$100,796
Public Service Enterprise					
Water and Power:					
Water	$ 3,139,180		$3,139,180	100.00	
Hetch Hetchy Project (Water and Power)	4,576,280	$ 487,587	4,085,802	89.28	$ 2,891
	7,715,460	487,587	7,224,982	93.64	2,891
Municipal Railway	137,500		137,500	100.00	
Airport	304,420	304,420			
TOTAL P. S. E.	$ 8,157,380	$ 792,007	$7,362,482	90.26	$ 2,891
TOTAL BOND INTEREST AND REDEMPTION REQUIREMENTS	$12,800,968	$5,334,799	$7,362,482	57.52	$103,687

CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS
AS AT JUNE 30, 1945

*

FISCAL YEAR	GRAND TOTAL	GENERAL CITY			PUBLIC SERVICE ENTERPRISES		
		Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1945-1946	$ 12,627,217.50	$ 4,659,837.50	$ 3,457,000.00	$1,202,837.50	$ 7,967,380.00	$ 4,173,000.00	$ 3,794,380.00
1946-1947	13,034,442.50	4,735,505.00	3,657,000.00	1,078,505.00	8,298,937.50	4,673,000.00	3,625,937.50
1947-1948	12,602,900.00	4,492,405.00	3,553,000.00	939,405.00	8,110,495.00	4,673,000.00	3,437,495.00
1948-1949	12,603,917.50	4,176,865.00	3,355,000.00	821,865.00	8,427,052.50	5,173,000.00	3,254,052.50
1949-1950	12,250,567.50	3,794,457.50	3,075,000.00	719,457.50	8,456,110.00	5,388,000.00	3,068,110.00
1950-1951	11,967,130.00	3,693,357.50	3,074,000.00	619,357.50	8,273,772.50	5,388,000.00	2,885,772.50
1951-1952	9,190,962.50	2,595,777.50	2,074,000.00	521,777.50	6,595,185.00	3,888,000.00	2,707,185.00
1952-1953	8,148,737.50	1,728,325.00	1,285,000.00	443,325.00	6,420,412.50	3,888,000.00	2,532,412.50
1953-1954	7,636,010.00	1,493,750.00	1,110,000.00	383,750.00	6,142,260.00	3,782,000.00	2,360,260.00
1954-1955	6,598,917.50	1,343,550.00	1,010,000.00	333,550.00	5,255,367.50	3,050,000.00	2,205,367.50
1955-1956	6,212,465.00	1,097,350.00	810,000.00	287,350.00	5,115,115.00	3,050,000.00	2,065,115.00
1956-1957	5,906,262.50	931,400.00	680,000.00	251,400.00	4,974,862.50	3,050,000.00	1,924,862.50
1957-1958	5,733,310.00	898,700.00	680,000.00	218,700.00	4,834,610.00	3,050,000.00	1,784,610.00
1958-1959	5,560,360.00	866,000.00	680,000.00	186,000.00	4,694,360.00	3,050,000.00	1,644,360.00
1959-1960	5,387,410.00	833,300.00	680,000.00	153,300.00	4,554,110.00	3,050,000.00	1,504,110.00
1960-1961	5,114,460.00	700,600.00	580,000.00	120,600.00	4,413,860.00	3,050,000.00	1,363,860.00
1961-1962	4,751,010.00	477,400.00	380,000.00	97,400.00	4,273,610.00	3,050,000.00	1,223,610.00
1962-1963	4,592,560.00	459,200.00	380,000.00	79,200.00	4,133,360.00	3,050,000.00	1,083,360.00
1963-1964	4,419,410.00	426,300.00	365,000.00	61,300.00	3,993,110.00	3,050,000.00	943,110.00
1964-1965	4,198,377.50	345,000.00	300,000.00	45,000.00	3,853,377.50	3,050,000.00	803,377.50
1965-1966	3,066,895.00	330,000.00	300,000.00	30,000.00	2,736,895.00	2,050,000.00	686,895.00
1966-1967	2,957,912.50	315,000.00	300,000.00	15,000.00	2,642,912.50	2,050,000.00	592,912.50
1967-1968	2,548,930.00				2,548,930.00	2,050,000.00	498,930.00
1968-1969	2,454,947.50				2,454,947.50	2,050,000.00	404,947.50
1969-1970	2,110,965.00				2,110,965.00	1,800,000.00	310,965.00
1970-1971	1,929,482.50				1,929,482.50	1,700,000.00	229,482.50
1971-1972	775,500.00				775,500.00	600,000.00	175,500.00
1972-1973	748,500.00				748,500.00	600,000.00	148,500.00
1973-1974	721,500.00				721,500.00	600,000.00	121,500.00
1974-1975	694,500.00				694,500.00	600,000.00	94,500.00
1975-1976	667,500.00				667,500.00	600,000.00	67,500.00
1976-1977	640,500.00				640,500.00	600,000.00	40,500.00
1977-1978	613,500.00				613,500.00	600,000.00	13,500.00
	$178,467,060.00	$40,394,080.00	$31,785,000.00	$8,609,080.00	$138,072,980.00	$90,476,000.00	$47,596,980.00

* And giving effect to $5,000,000 1945 Airport Bonds and $4,000,000 1944 Sewer Bonds sold January 7, 1946. Unsold bonds at March 31, 1946 in the amount of $24,750,000 are not included.

TAX ANTICIPATION NOTES

These notes are issued periodically to finance expenditures of the city during periods preceding tax collection dates. The amount of this debt outstanding at any one time is limited by the charter to 25% of the total estimated tax receipts for the fiscal year. Such debt constitutes a first lien against taxes, regardless of when such taxes are received. Sums borrowed during the first half of any fiscal year must be paid prior to December 31; and prior to May 15 if borrowed during the second half of the year.

The current cash position of the City and County of San Francisco was sufficient to finance operations without the necessity of borrowing funds through the sale of tax anticipation notes.

UNFUNDED DEBT - MARCH 31, 1946

	Interest	Maturities	Original Amount of Loan	Amount Unpaid
Relief Loan from the State of California dated November 16, 1933	4-1/4%	1937-1946	$1,000,000.00	$ 100,000.00
Deferred Payment - Market Street Railway Purchase			7,500,000.00	3,000,000.00

EXTENSION OF MUNICIPAL RAILWAY

A special election held May 16, 1944, authorized, by Charter Amendment, the extension of the Municipal Railway by acquisition of the Market Street Railway, at a total purchase price of $7,500,000.00 with a down payment of $2,000,000.00 (which was paid on September 29, 1944) and the remaining balance of $5,500,000.00 is payable out of the revenues of the operating properties of the acquired railway and may also be paid from the revenues of the Municipal Railway. Additional payments totaling $2,500,000 have reduced the unpaid balance to $3,000,000 at March 31, 1946. The City and County of San Francisco cannot be obligated to pay any part thereof from any moneys derived from the levy or collection of taxes upon the taxable property of the City and County.

OVERLAPPING DEBT

The City and County of San Francisco is wholly, or partially, overlapped by the following:

GOLDEN GATE BRIDGE AND HIGHWAY DISTRICT

This District issued $35,000,000 general obligation bonds for which San Francisco is liable for approximately 85% of any deficiency in revenues to meet operating expenses and interest and redemption charges. The average interest rate is 4.34 percent, the bonds being payable as follows:

Due Annually		Total
$ 200,000	July 1, 1942-46	$ 1,000,000
400,000	July 1, 1947-51	2,000,000
800,000	July 1, 1952-56	4,000,000
1,200,000	July 1, 1957-61	6,000,000
1,600,000	July 1, 1962-66	8,000,000
2,800,000	July 1, 1967-71	14,000,000
		35,000,000
Less: Bonds redeemed to July 1, 1945		800,000
Bonds Outstanding March 31, 1946		$34,200,000

The operating income and the annual requirements for bond interest for the fiscal years ended June 30, 1939 to June 30, 1945 are shown below:

	Operating Income	Bond Interest
Year ended June 30, 1939	$1,377,050.10	$1,519,500
Year ended June 30, 1940	1,603,971.45	1,519,500
Year ended June 30, 1941	1,773,484.11	1,519,500
Year ended June 30, 1942	1,824,585.16	1,519,500
Year ended June 30, 1943	2,127,885.69	1,510,650
Year ended June 30, 1944	2,030,102.59	1,501,800
Year ended June 30, 1945	2,247,932.65	1,492,950

ISLAIS CREEK RECLAMATION DISTRICT

The Islais Creek Reclamation District was organized pursuant to a special act of the State Legislature, approved April 1, 1925, for the purpose of reclaiming land for industrial site purposes along Islais Creek Channel.

Bonds outstanding March 31, 1946 total $468,000. The assessed valuation of the district is approximately $1,200,000. Land within the district is conservatively appraised at $2,200,000.

STREET IMPROVEMENT BONDS

The outstanding amount of street improvement bonds is estimated at $35,000. These bonds are direct liens against individual parcels of property within assessment districts. The city merely acts as the collecting agent.

Joint Highway Districts

The City and County of San Francisco has joined other counties in the formation of joint highway districts for the purpose of constructing highways.

San Francisco has a commitment for the unpaid prorata of estimated construction of $3,500,000 to be assessed by these districts. The assessments are being paid in annual installments from the State's apportionment of gasoline tax moneys; therefore no local taxes have been necessary. To date the annual assessments have been less than $150,000 per year.

SUMMARY STATEMENT OF CURRENT FUNDS

As at March 31, 1946

		Total	General City	Public Service Enterprises
RESOURCES				
Cash				
On deposit with Treasurer		$28,255,297.59	$16,226,826.66	$12,028,470.93
Less: Warrants outstanding and matured bonds and coupons		1,801,036.35	1,375,375.81	425,660.54
		26,454,261.24	14,851,450.85	11,602,810.39
Cash in Transit		256,909.02	171,855.92	85,053.10
		26,711,170.26	15,023,306.77	11,687,863.49
Taxes Receivable, Penalties and Interest				
Current Year		12,698,060.59	12,364,200.96	333,859.63
Prior Years		1,256,066.82	1,236,445.74	19,621.08
		13,954,127.41	13,600,646.70	353,480.71
Less: Reserve for unsecured delinquent taxes and penalties (100%)		972,766.23	961,330.41	11,435.82
		12,981,361.18	12,639,316.29	342,044.89
Revenues Receivable Other Than Taxes, and Estimated Revenues		16,643,058.78	7,165,498.06	9,477,560.72
Interfund Accounts	*	8,570,778.63	5,243,649.28	3,327,129.35
		$64,906,368.85	$40,071,770.40	$24,834,598.45
LIABILITIES AND FUND BALANCES				
Contracts and purchase orders, etc.		$ 6,956,964.18	$ 3,777,872.76	$ 3,179,091.42
Reserves (Other than Taxes)		139,947.95	85,920.75	54,027.20
Deferred Credits		879,799.37	789,817.84	89,981.53
Interfund Accounts	*	10,971,482.58	6,233,642.86	4,737,839.72
Fund Balances				
Unencumbered Appropriations	**	42,030,376.84	25,420,611.25	16,609,765.59
Unappropriated Balances		248,020.83	84,127.84	163,892.99
Cash Reserve Fund	***	3,679,777.10	3,679,777.10	
		45,958,174.77	29,184,516.19	16,773,658.58
		$64,906,368.85	$40,071,770.40	$24,834,598.45

* Includes accounts with bond and trust funds.

** Includes bond interest and redemption requirements for balance of year 1945-46.

*** Created for the purpose of making temporary loans in anticipation of revenues.

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